



# Indiana Department of Education

SUPPORTING STUDENT SUCCESS

## MEMORANDUM

**TO:** All Superintendents and Treasurers

**FROM:** Teresa Hemmerle, Fiscal Analyst  
Office of School Finance

**DATE:** May 4, 2011

**SUBJECT:** 2012 Debt Service Fund Levy for Unreimbursed Textbook Expense

IC 20-40-9-1 allows school corporations to establish a Debt Service Fund levy for the payment of all unreimbursed costs of textbooks for the school corporation's students who were eligible for free or reduced lunches in the previous school year. The amendment allows that the governing body may transfer the amount levied to cover unreimbursed costs of textbooks to the textbook rental fund or extracurricular account. This authority must be considered when preparing the 2012 budget for the Debt Service Fund.

This year, the textbook reimbursement payment was partially funded at 81.9379164% of costs. In an effort to provide assistance in determining the amount of unreimbursed textbook costs, we are providing, on the enclosed report, the amount the state did not reimburse for the 2010-2011 school year.

"All unreimbursed costs" include the sum of the following:

- (1) the costs submitted to the Department of Education on the October 2010 request for reimbursement that were not reimbursed; plus
- (2) the additional costs incurred by the school corporation in providing textbook assistance to the number of additional eligible students who enrolled in the school corporation after the October 2010 request for reimbursement was filed.

To substantiate the additional costs incurred by the school corporation in providing textbook assistance to the eligible students who enrolled in the school corporation after the October 2010 request for reimbursement was filed, the school corporation must document:

- (1) the number of additional students who enrolled in the school corporation;
- (2) the additional costs incurred by the school corporation in providing the following materials to the number of additional students:
  - (a) textbooks (including textbooks used in special education and high ability classes) to these students;
  - (b) workbooks and consumable textbooks (including workbooks, consumable textbooks, and other consumable instructional materials that are used in special education and high ability classes) that are used by students for not more than one (1) school year; and

- (c) instead of the purchase of textbooks, developmentally appropriate material for instruction in kindergarten through the grade 3 level, laboratories, and children's literature programs;
- (3) that each textbook described in subdivision (2)(a) and included in the reimbursement request (except those textbooks used in special education classes and high ability classes) has been adopted by the State Board of Education under IC 20-20-5-1 through IC 20-20-5-4 or has been waived by the State Board under IC 20-26-12-28;
- (4) that the amount of reimbursement requested for each textbook under subdivision (3) does not exceed twenty percent (20%) of the costs incurred for the textbook, as provided in the textbook adoption list in each year of the adoption cycle;
- (5) that the amount of reimbursement requested for each workbook or consumable textbook (or other consumable instructional material used in special education or high ability classes) under subdivision (2)(b), if applicable, does not exceed one hundred percent (100%) of the costs incurred for the workbook or consumable (or other consumable instructional material used in special education or high ability classes);
- (6) that the amount of reimbursement requested for each textbook used in special education or high ability classes is amortized for the number of years in which the textbook is used; and
- (7) that the amount of reimbursement requested for developmentally appropriate material is amortized for the number of years in which the material is used does not exceed a total of one hundred percent (100%) of the costs incurred for the developmentally appropriate material.

School officials are encouraged to include the additional costs incurred in the space provided on the enclosed report and include the report in the documentation of the 2012 Debt Service Fund levy.

We hope this information proves helpful. If you have questions about the inclusion of unreimbursed textbook expenses in your Debt Service Fund levy, please contact me at 1-866-234-1414 or at 317-232-0844.

Enclosure